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likely to decline somewhat when the survey is completed for the Hauran and Djebel Druze where small peasant ownership predominates.

Water for irrigation is supplied chiefly by merchants and wealthy landowners who have the means to install pumps. Similarly, the ownership and operation of modern agricultural machinery are primarily confined to large operators in the Jezireh.

Ownership of the critical factors of production carries with it the ability to demand a large share of the output. In areas where rainfall is inadequate the pump owner, who is frequently not the landowner, can exact from 45% to 60% of the crop simply for the water he supplies. Where labor is plentiful and rainfall adequate, the landowner can get up to half of the crop simply by allowing others to cultivate his land. On the other hand, in the Jezireh land is plentiful by comparison with labor and rents for only a 10-15% share of the crop. Here the owners of tractors and combines control the central factor of production and can command the lion's share of the output.

The small cultivators have no capital or access to capital that would enable them to acquire more land, better machinery and livestock, pumps and other means of production by which to raise their standard of living and make themselves independent. Nor are they organized in cooperatives to undertake these things collectively. Even the larger farmer frequently has great difficulty in getting necessary capital on reasonable terms.

One of the most important objectives of an agricultural program is therefore to provide an adequate volume of credit on equitable terms in order to make the needed means of production more generally accessible. The organization of cooperatives to facilitate group action among small farmers should be another aim. No single peasant, for example, has enough resources to sink a well or install a pump, but a group of peasants could pool their resources to this end. Finally, it would appear vital to conserve the good land remaining in state domain for the purpose of settling landless peasants and Bedouins and thus gradually increasing proprietorship.

4. *Despite the existence of many large properties, land is predominantly tilled in small holdings by tenants or peasant-owners who earn a rather precarious livelihood.*

Large-scale exploitation prevails only in the Jezireh and to some extent in Aleppo where land is farmed in big units with mechanized equipment and paid labor. Even the large estates are for the most part farmed in small units by sharecroppers who are tenants at will, seldom cultivate the same

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gests, therefore, that this tax be complemented by a new land tax. The rate of such a tax should increase with the size of landholdings, and small holdings should be entirely exempt. The rates must also be in accordance with the yield of the land, but the mission suggests that they be kept rather low (e.g., not more than £S 2-3 per hectare on the average) so that a detailed, complex classification of land in accordance with productivity may be avoided. In another section of this report the mission proposes that the present schedular income taxes be supplemented by a global income tax levied at a moderate rate. In our opinion, income from agriculture should be included in the scope of such a global tax. The ascertainment of income from land is by no means as difficult as is generally supposed.

In addition to taking these steps, the government should pay special attention to the improvement of the lot of tenant farmers. In general, measures should be adopted to increase the tenant's share of the output, to give him greater security of tenure and to make him less dependent on the landlord as a source of credit and supplies.

The economic bargaining power of the landlord vis-à-vis the tenant and of the pump owner vis-à-vis the cultivator is so great that the landlord and pump owner obtain a rather excessive share of the output of the land. It would be desirable to establish a commission to study the various forms of association in the exploitation of agricultural land which prevail in different parts of Syria and to make recommendations designed not only to make these arrangements more equitable but also to put them on a basis which would give the actual cultivator of the land more incentive to improve his agricultural methods. Such a commission could work out the terms of written contracts which would be applicable to various types of association. It could also devise ways of giving greater security of tenure to the tenants. The latter can generally be ousted at will by landlords and the land they receive for cultivation is so frequently reallotted that they acquire no interest in its permanent improvement. Finally, it would be appropriate to consider the establishment of local land tenure commissions to settle, in a manner comparable to settlement of labor conflicts, disputes among the parties sharing in the exploitation of the land.

A number of measures to foster cooperatives, provide more ample credit and establish machinery for assisting the farmer at the village level are recommended elsewhere in this report. It is important that these measures

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focus not only on the farmer-owner, but also on the tenant, for only in that way can the latter's economic bargaining power be strengthened and his independence and security enhanced.

IV IMPROVEMENT OF PRODUCTION

The mission approaches a discussion of this subject with some diffidence. Generalities are difficult to avoid. It is easy to point out deficiencies in agricultural practices, but much more difficult to suggest a concrete and practicable program to improve them. Effective action is made difficult by the ignorance and inherent conservatism of farmers. It requires a larger, better trained and better organized government service to carry out the necessary trials and experiments and to work with farmers at the village level. Obviously, no miraculous increase in productivity can be expected within a short time.

Nevertheless, the subject is too important to neglect. In too many countries the undeniable difficulty of carrying out a program to raise yields has caused governments to shrink from such an undertaking. We have already indicated why much more attention must be paid to this problem in Syria. Although land in Syria is more plentiful than in many other Asiatic countries, the population pressure on good land is bound to grow. If the country is to support an increasing population on higher living standards, the task of obtaining more output from cultivated land cannot be postponed.

The mission can only point out some of the potentialities and indicate in a rather general way how they might be realized. More detailed programs must be worked out by the Ministry of Agriculture with the help of the FAO or other sources of technical assistance.

Crop Rotation and Diversification

Improvement in existing patterns of crop rotation is one of the most important methods of improving the fertility and structure of the soil and permitting a gradual diminution in the use of fallow. The aim should be to reduce customary fallow in the rainfed areas by at least 50% and to the greatest extent practicable in the irrigated areas. The much more extensive use of leguminous plants for both winter and summer

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debt can be reduced to manageable proportions. The mission recommends therefore that Syria enact legislation establishing procedures under which the Bank can obtain an amicable and, if necessary, a compulsory adjustment of past indebtedness as a prerequisite to the extension of fresh credit calculated to set the farmer on his feet. The legislation adopted in Cyprus on this subject is likely to provide valuable guidance.

To carry out this expanded credit program the management of the Bank must be strengthened as much as possible. Competent management can be secured only if salaries comparable with those paid in commercial banks are offered. The board of directors should be carefully chosen from among citizens who have a genuine interest in agricultural credit. The inclusion of a qualified commercial banker would provide the board with valuable experience even though an agricultural credit institution should obviously not be operated just like a commercial bank. For the supervised credit program and the work with cooperatives it will be desirable to obtain the services of an expert foreign adviser. The bank management should be largely autonomous and free to determine its own operating procedures.

Cooperatives[20]

The mission has already indicated its belief that cooperatives should become an important vehicle for the extension of credit to farmers. Unfortunately few cooperatives now exist. Although 28 are officially registered, the great majority of them manifestly exist only on paper. Yet there are instances of successful cooperative organization, such as the olive growers' cooperative at Tartous. Nor is interest wholly lacking among farmers. In the past a considerable number of villages have appealed in vain to the government for assistance in the formation of cooperatives. The work carried on by the Near East Foundation in certain villages indicates that farmers are quick to respond when the advantages of cooperative action are pointed out to them.

In principle cooperatives can become important agencies of self-help. They can stimulate the development of a democratic community spirit and a sense of self-reliance among peasants who now feel helpless and excessively dependent on the landlord, merchant and money-lender.

[20] See Annex E, p. 348.

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474 Farmers are often able to do collectively what they cannot accomplish as individuals. Cooperatively they can bring their products to the nearest market where they will fetch better prices, or sink a well and install a pump to provide irrigation on terms far more attractive than those imposed by a private pump owner. Collectively they can also get access to more credit and to some extent pool equipment such as dusters and sprayers which individual members cannot afford to own. Local roads can be built and other village improvements initiated by cooperative community action.

With the present level of social organization and education in the villages, however, it can hardly be expected that villagers themselves will generally take the initiative in forming cooperatives. Cooperatives must be encouraged, nurtured, guided and supervised by the government. In theory the government is in favor of cooperatives and has even accorded them sweeping tax exemptions. In practice, however, it has taken almost no action to encourage them and has on occasion even displayed a rather negative attitude. Only one officer in the Ministry of Agriculture is concerned full time with cooperatives. The basic statute governing cooperatives is needlessly complicated and must be virtually incomprehensible to farmers. The protracted consideration preceding registration of cooperatives appears to indicate a rather deep-seated distrust of cooperative action on the part of at least some government officials.

The first steps which must be taken are to simplify the cooperative statute and to organize and staff an adequate section in the Ministry of Agriculture to deal with cooperatives. Some of the personnel will no doubt require training abroad. The principal functions of this section would be to organize and guide cooperatives, train their leaders and managers and audit their accounts. The effective discharge of all of these functions is essential to the success of the cooperative movement. In the field work of organization and guidance the cooperative section could obtain considerable assistance from credit supervisors on the staff of the Agricultural Bank. Rapid progress, particularly in the initial years, cannot be expected, but the formation of a hundred cooperatives over the next five years might be set as the target. For this program the mission suggests a government allocation of £S 500,000. The FAO or some other agency should also be invited to provide technical assistance in training and getting the program off to a good start.

The type of cooperative most suitable for Syria is one that would dis-

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charge a number of closely related functions such as the purchase and sale of farm supplies, the procurement and extension of credit and the marketing of farm products. The granting of loans and the sale of farm supplies are closely linked, and cooperative marketing would facilitate the collection of loans. For certain special functions such as irrigation, single-purpose cooperatives would be more appropriate. On balance the mission thinks it best that cooperatives be organized on the basis of unlimited liability, for only in this way will all the members have the greatest incentive to see that all the credit is effectively utilized and repaid. The mission has already indicated its view that cooperatives should be given credit at 6% rather than 8% interest. The cooperative's own lending, however, should be done at 8% to provide a margin for meeting operating costs and building up reserves.

Agricultural Extension and Community Work[21]

In most underdeveloped countries, programs to improve agricultural practices and yields founder because there is no organization and staff to work continuously with farmers, educating and assisting them and demonstrating to them the practical utility of better methods and techniques. In Syria, too, there exists no agricultural extension or educational service in that sense. To be sure, the various departments of the Ministry of Agriculture have representatives in the *mohafazats* or provinces dealing with such subjects as agricultural production, veterinary matters, plant protection and the like. But the time of these men is largely monopolized by various administrative tasks such as the enforcement of government regulations, crop reporting, locust control and similar matters. They do not have the opportunity, and sometimes not even the inclination, to work with individual farmers. Their contacts with villages are brief, sporadic and infrequent.

The mission has given considerable thought to the problem of organizing effective work among the agricultural population in the villages. Our conclusion is that this work would best be entrusted to a special rural community development organization. Other countries faced with a similar problem, like India and Pakistan, have launched such an organization; in India, where one has now been functioning for some years,

[21] See Annex C, p. 322.

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ing of old debts in relation to a new loan must be carefully considered. It 652
should be obvious that supervision may be necessary throughout the period of the loan. Furthermore, it may be desirable to extend the repayment of certain old debts over a period of years.

We have emphasized in the Main Report that legislation should be considered to provide for the relief of old agricultural indebtedness. Many capable farmers cannot be made creditworthy under any system of credit until they are in a position to make a new start in life.

Loans should be made in kind only when it is necessary to insure their use for a specific purpose and when the government has found it necessary to monopolize the supply of certain farmers' requisites, e.g., cottonseed. Such loans must be in first-rate products.

In order to carry out the type of credit program envisaged by the government, the ABS will need to bring its services to the farmer. Thus the regional banks should have a number of field credit offices from which, in cooperation with the regional banks, loans will be made, serviced and collected. Part of this task might well be done by opening up temporary field offices in larger villages before the planting season and again during and following the harvest period.

Ultimately the ABS and the village cooperatives should be owned and 652
operated by farmers. These institutions must therefore accumulate their 674
own capital if they are not to remain merely channels for the extension of government credit to farmers. The ABS itself could do much to promote additional savings through credit cooperatives. Over a period of years the development of practices of thrift will lead to substantial capital accumulation for the use of farmers. The capital of a cooperative credit society should be invested in capital expansion or deposited in the ABS. When a credit society is a part of a multi-purpose cooperative, it can use any earnings or savings to best advantage within its own organization. It may be desirable, and in fact necessary, for the ABS to establish some local credit societies as an arm of its organization in the extension of loans to farmers. In the latter case, savings and earnings for use of members would presumably be under the control of the ABS, but should be, insofar as possible, administered by an independent organization.

It is also desirable that cooperative associations retain their earnings and investments by restrictions on declarations of dividends, and by not permitting ready refunding of membership stock. The 2% profit made by cooperatives on loans would be another source of capital and credit.

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II COOPERATIVES

Organisation

A Syrian statute prescribes the manner of organizing cooperatives; by-laws are likewise prescribed. Both are rather involved and somewhat confusing. Without analyzing these laws in detail, we may point out certain of their defects. For example, in regard to reserves there are a number of lengthy provisions dealing with "ordinary reserve", "obligatory reserve" and "exceptional reserve" in terms of percentages. Most technicians would have considerable difficulty construing them and they are impossible for farmers to comprehend. The drawn-out procedure to be followed in the registration of a cooperative appears to indicate some government distrust of cooperative organization. The basic cooperative laws should make it relatively simple for farmers to follow required procedure and to proceed on a sound basis.

In the Main Report the mission has recommended a revision of the legislation pertaining to cooperatives. There is much valuable and useful experience to draw upon from the many countries which have had a considerable measure of success with cooperative societies. The Arab League is giving attention to this matter and is now in process of setting up a permanent training center for cooperative work of the member states. The discussions for the implementation of such a program are promising. The FAO has also sponsored a training program in cooperatives, dealing in part with legislative matters.

In Syria, a cooperative may be organized by seven or more persons to promote mutual interest in marketing agricultural products, extending credit, encouraging savings, purchasing domestic and farm furnishings, and a host of similar purposes. Funds are provided through capital share subscription of members, payment of membership fees, and from loans. Each member has one vote. A cooperative may be organized either on the principle of limited liability or unlimited liability. Cooperatives are registered in the Division of Cooperatives and Extension Service of the Ministry of Agriculture. This division is intended to supervise the activities of cooperatives but has not been able to do so because it lacks the personnel and an adequate organizational framework for serving and promoting cooperative organizations.

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In organizing a cooperative it is necessary to determine carefully the function to be performed. The greater the number of functions which the cooperative is to perform, the more complex becomes the task of management and the more difficult the financing and accounting. These problems must be met and not be permitted to hinder the successful development of cooperatives.

In the Syrian villages it would seem best to organize cooperatives around a single function when such a function is an end in itself, as for example providing a pump for irrigation. However, needed services are often interrelated, as is the situation when agricultural production credit is an integral part of a cooperative marketing and purchasing program. Several functions should be undertaken if: (1) they do not conflict; (2) they do not make the operations too complex; (3) the accounts of each can be kept quite separate; (4) the members understand clearly what the association or society is doing; and (5) the functions provide a service to most of the members. Under these conditions the multi-purpose cooperative is a superior type of organization since it can coordinate in a single efficient management unit such allied functions as the purchase and sale of farm supplies, marketing of farm products, granting of credit and the performance of other special services.

The recent experience of the Near East Foundation in organizing cooperatives in Syria indicates that farmers are very responsive to pilot cooperative organization when the aims and methods are properly explained to them. In one case, for instance, considerable enthusiasm was engendered by the cooperative sinking of an irrigation well which increased production and quadrupled the value of the land. The Foundation has found that such demonstrations, when preceded by preliminary discussions of the elementary principles of cooperation, caught the farmers' imagination. Under these circumstances, farmers respond readily and show by their willingness to subscribe shares a strong belief and confidence in cooperative association.

Clearly such projects offer a nucleus for expansion. They also have shown that: (1) farmers are interested in joining together to do things for their mutual benefit; (2) organization of a cooperative involves a great deal of educational effort; (3) regular assistance and guidance must be provided; (4) capital is necessary; and (5) the job cannot be done without guidance by the Agricultural Bank and the Division of Cooperatives.

ill-considered plans and avoid abrupt changes". A separate section in the Labour and Social Affairs Department of the Ministry of National Economy will run and supervise the centres, introduce local industries, study local conditions and implement a programme to raise the standard of living and promote local welfare. The Department will be assisted by an Advisory Committee comprising representatives from all agencies interested. Three bodies participate in the conduct of each model centre: one will consist of the staff members of the centre; the second the advisors to the staff members and the representatives of local administrative authorities; the third will be not one single committee but five committees of local residents, each to be responsible for a particular aspect of the centre. All will work under the supervision of the staff. The Decree defines the several units to be constituted for each centre and their respective responsibilities. 649 657 185

65. It is intended that when the Government has established a model centre in each province, the example will be followed in other districts by villagers who (as in the Egyptian prototype) will contribute to and share with the Government the expenses of maintaining a sufficient number of centres to cover the whole country.

66. The scheme which was inspired by the Cairo Seminar of 1950 had, we were informed, been discussed and agreed with other Ministries concerned and tentative arrangements had been made with the University authorities for their co-operation in providing the necessary personnel for the centres. Unfortunately, however, the project-law had not received the approval of the Ministers and Dr. Joukhadar gave no indication of any date for its operation. 242 185 474

67. On the introduction of Mr. Carroll Deyoe, FAO representative in Syria, members of the mission had the opportunity of meeting at the Ministry of Agriculture Mr. Akrem Rakabi, the newly-appointed Secretary-General, who gave an account of agricultural extension work in Syria and of the development of agricultural co-operatives in the country. He foreshadowed a possible eventual use of the profits of these societies for community welfare purposes, but the movement is in its infancy.

68. Thanks also to the courtesy of Mr. Deyoe, the mission was put in touch with the local representatives of the Near East Foundation. In the absence in Beirut of the Programme Director, Mr. Eyer, his Deputy (Mr. Khoury) gave us the statement of the work of the Foundation in Syria which had been prepared for the recent Damascus Seminar which we had hoped to attend. Mr. Khoury accompanied us on his visit to Mashabeyeh one of the four villages in which the Foundation operates demonstration centres in agriculture and sanitation and in home-making, respectively. Mr. Sivaswamy has prepared a detailed account (Appendix V) of his impressions of the work done at Mashabeyeh. 242 185 744

69. The centre has been in existence one year. Its premises are in adobe houses such as are to be found in many villages in these parts. They have been simply adapted for their present purposes and the standard of cleanliness was pleasantly surprising. The staff consists of: (1) a sanitary inspector who looks after general sanitation, including mosquito control by insecticides and by drainage. (He makes a point of talking to the village people about water supply, latrines, etc.); (2) a nurse-midwife, whose duties are: ante- and post-natal care, examination of pregnant women, education of local midwives, regular supervision of the infants in the village. (There is no maternity clinic; the women are delivered in their homes); (3) a doctor, paid by the Foundation, who visits the centre once a week.